MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2015/2016

BMR1014 – FUNDAMENTALS OF MARKETING

(All sections / Groups)

10 OCTOBER 2015
9.00 a.m – 11.00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 11 pages with 2 Sections only.
2. **Section A**: **FORTY (40)** Multiple Choice Questions. Attempt **ALL** questions.
   Section B: **FOUR (4)** Selective Questions. Attempt only **THREE** questions.
3. Students are allowed to use non-programmable scientific calculators.
4. Please write all your answers for Section A on the OMR sheet and Section B in the Answer Booklet provided.

SECTION A [40 Marks]
Attempt ALL questions.

1. Marketing mix planning begins with _____.
   A) building an offering that brings value to target customers
   B) finding a suitable promotion strategy for the product
   C) setting a reasonable price for the product
   D) selecting the right channel for distribution of the product
   E) calculating the total costs involved in manufacturing the product

2. A company selling child-care products ran a television ad depicting women as being primarily responsible for childcare. Many women viewers considered this regressive, alleging that the ad failed to recognize the much more diversified role of women in today's world. This is an example of _____.
   A) cause marketing
   B) stereotyping
   C) niche marketing
   D) scapegoating
   E) positioning

3. Apex describes its clothing line as, "Elegance and attitude, now as one. For the daily office-goer, who takes pride in what he or she wears everyday, Apex makes sure you get noticed." This exemplifies a _____.
   A) statement of purpose
   B) vision statement
   C) positioning statement
   D) general need description
   E) product specification

4. When it first opened stores across the United States, Bateman's, an office supply chain store, had the best product selection, the best service, and the lowest prices compared to other office supply chain stores. As a result, Bateman's captured a significant chunk of the market in the short run. Which of the following positioning strategies did Bateman's most likely use?
   A) more for the same
   B) more for less
   C) same for less
   D) less for much less
   E) more for more

Continued...

5. _____ refers to how a company will create differentiated value for targeted segments and what positions it wants to occupy in those segments.
   A) Targeted marketing
   B) Market segmentation
   C) Product positioning
   D) Value proposition
   E) Niche marketing

6. _____ are consumer products and services that customers usually buy frequently, immediately, and with minimal comparison and buying effort.
   A) Unsought products
   B) Capital items
   C) Shopping products
   D) Convenience products
   E) Supplies and repair services

7. P&G has sold off a number of lesser or declining brands such as Oxydol detergent and Jif peanut butter. In these examples, management decided to _____ the products.
   A) modify
   B) maintain
   C) drop
   D) harvest
   E) franchise

8. Apple's iPod has been called "one of the greatest consumer electronics hits of all time." iPods have been sold in huge numbers, and Apple captures a large share of the music player market. This success has attracted many large, resourceful competitors. The iPod is in the _____ stage of the product life cycle.
   A) introduction
   B) growth
   C) maturity
   D) decline
   E) adoption

9. Which of the following statements is true of the new product development process?
   A) The purpose of the idea screening stage is to create a large number of ideas.
   B) A product concept is the way consumers perceive an actual or potential product.
   C) Under the business analysis stage, if the new product satisfies the company's objectives, the product then moves to the product development stage.
   D) The concept testing stage is the stage at which the product and its proposed marketing program are introduced into realistic market settings.
   E) Commercialization is the process of inviting broad communities of people such as customers, employees, and scientists into the new product innovation process.

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10. John Deere does very little promoting of its lawn mowers and garden tractors to final consumers. Instead, John Deere's sales force works with Lowe's, Home Depot, independent dealers, and other channel members, who in turn sell John Deere products to final consumers. According to this information, which of the following promotion mix strategies is being used by John Deere?
    A) public relations strategy
    B) direct marketing strategy
    C) push strategy
    D) blitz strategy
    E) pull strategy

11. A newspaper article announced that Connect Wireless, the sixth-largest wireless carrier in a country, was changing its name to M-Mobile and that to begin the makeover process it had replaced spokesperson Robert Garmon with Catherine Naylor. Which of the following elements of a promotion mix is represented in this example?
    A) sales promotion
    B) advertising
    C) public relations
    D) personal selling
    E) direct marketing

12. Which of the following is most likely a shortcoming of advertising?
    A) It is the most expensive promotion tool.
    B) It cannot reach masses of geographically dispersed buyers.
    C) It is impersonal and lacks the direct persuasiveness of company salespeople.
    D) It cannot trigger quick sales.
    E) It cannot be used to build up a long-term image for a product.

13. Sam, the owner of a small company, learned that a competitor was planning to spend $150,000 on promotion in the next financial year. As soon as he learned this, Sam called his finance manager and said, "I want to spend $150,000 on promotion next year." In this case, which method of promotional budgeting does Sam use?
    A) the objective-and-task method
    B) the competitive-parity method
    C) the percentage-of-sales method
    D) the affordable method
    E) the pull-push method

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14. A manufacturer of a variety of technological devices asked its marketing department to develop inexpensive methods of building and maintaining brand awareness and excitement. The marketing department then recruited consumers who were early adopters of technological devices to spread the word about the company's new products. This is an example of _____.
    A) a reverse marketing activity
    B) nonpersonal marketing
    C) sales promotion
    D) buzz marketing
    E) direct marketing

15. Which of the following terms refers to the wholesalers and retailers that form a vital link between the firm and its customers?
    A) factory-supply networks
    B) upstream partners
    C) resource banks
    D) downstream partners
    E) supply channels

16. Which of the following companies uses a direct marketing channel?
    A) Fishhooks, a factory that manufactures fishing equipment that it ships to hobby stores worldwide
    B) Germfight, a factory that manufactures dental products that it distributes only to select department stores
    C) Apple Blossoms, a company that sells its cosmetics exclusively through Ray's Retail Store
    D) Holly Wreaths, a store that sells Christmas ornaments to customers via its online click-to-order catalogs
    E) Showdown, a clothing store that stocks merchandise from different international brands

17. Ford and its network of independent franchised dealers is an example of a _____.
    A) manufacturer-sponsored retailer franchise system
    B) manufacturer-sponsored wholesaler franchise system
    C) service-firm-sponsored retailer franchise system
    D) service-firm-sponsored equity strategic alliance
    E) manufacturer-and-service-sponsored joint venture

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18. Which of the following is an environmental factor that affects channel objectives and design?
    A) economic conditions
    B) factory staffing
    C) organizational objectives
    D) interpersonal influences
    E) individual motives

19. With which of the following strategies would a company give only a limited number of dealers the right to distribute its products in their territories?
    A) exclusive distribution
    B) extensive distribution
    C) moderate distribution
    D) primary distribution
    E) intensive distribution

20. When a company sets a high price for a new product with the intention of reducing the price in the future, it is using the _____ pricing strategy.
    A) market-skimming
    B) cost-plus
    C) market-segmentation
    D) market-penetration
    E) competitive

21. In a bid to attract more customers in a market that has several competitors, Barrymore's Bakery slashed the prices of all its products by 50 percent. Managers at the firm reasoned that lower prices would draw in even more customers, making up for the reduction in price several times over. Which of the following pricing strategies are they using?
    A) market-skimming pricing
    B) market-penetration pricing
    C) captive-product pricing
    D) cash discount pricing
    E) by-product pricing

22. Motorzone offers replacement parts for old Volkswagen Beetles. The company calculates shipping charges based on shipping parts from Boston, even though some parts actually ship from St. Louis. Motorzone most likely practices _____ pricing.
    A) FOB-origin
    B) basing-point
    C) zone
    D) uniform-delivered
    E) freight-absorption

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23. Which of the following companies uses product line pricing?
    A) Photo Genie, which sells inexpensive cameras that run only on their own expensive batteries
    B) Mobile Point, which launched a range of cell phone models, each priced according to its features
    C) Penguin's Parlor, which offers customers a 20-percent discount on their birthdays and certain holidays
    D) Green Thumb, which gives away free watering cans with the purchase of certain potted plants
    E) Panizza, whose combo meals are priced lower than the individual components sold together

24. Big Mike's Health Food Store sells nutritional energy foods. The price of the products sold varies according to individual customer accounts and situations. For example, long-time customers receive discounts. This strategy is an example of _____.
    A) time-based pricing
    B) dynamic pricing
    C) seasonal pricing
    D) promotional pricing
    E) penetration pricing

25. To plan effective marketing strategies, a company needs to find out all it can about its competitors. It must constantly compare its marketing strategies, products, prices, channels, and promotions with those of close competitors. This is an example of _____.
    A) blue ocean strategy
    B) competitor analysis
    C) organizational evaluation
    D) perfect competition
    E) quantitative analysis

26. From a(n) _____ point of view, Pepsi might see its competition as Coca-Cola, Dr Pepper, 7UP, and the makers of other soft drink brands. From a(n) _____ point of view, however, the customer really wants "thirst quenching."
    A) market; industry
    B) market; consumer
    C) industry; competitive
    D) industry; market
    E) company's; consumer's

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27. Companies need to know each competitor's product quality, features, and mix; customer services; pricing policy; distribution coverage; sales force strategy; and advertising and sales promotion programs. These are all the dimensions that identify _____ groups within the industry.
A) target
B) focus
C) control
D) strategic
E) experimental

28. A market research firm conducts a survey of soft-drink consumers to assess Pepsi's and Coke's strengths and weaknesses in attributes valued by both company's target customers. The market research firm is using a(n) _____.
A) customer lifetime value estimation
B) global marketing strategy
C) competitive marketing strategy
D) customer value analysis
E) blue ocean strategy

29. An example of a company exhibiting a blue ocean strategy is _____.
A) Amazon's online shopping convenience
B) a Starbucks opening in the same vicinity of an independent coffee house
C) Nike's brand image of the "swoosh"
D) Whirlpool's full line of medium-priced, energy-saving appliances
E) the first digital tablet iPad released by Apple

30. Samsung and Apple actively generate new ideas, relentlessly pursue new solutions, and quickly work to get new products to market. They serve customers who want state-of-the-art products and services, regardless of the costs in terms of price or inconvenience. Which of the following value disciplines is illustrated from this example?
A) operational excellence
B) customer intimacy
C) product binning
D) product activation
E) product leadership

31. Bicycle helmets have low immediate appeal, but they tend to benefit consumers in the long run. This indicates that a bicycle helmet is an example of a _____ product.
A) salutary
B) desirable
C) pleasing
D) durable
E) aesthetic

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32. Some customers believe that the Good Green Grocer purposefully runs weekly promotional prices on items that are low in stock, leaving most customers who come to the store hoping for lower prices but unable to buy the out-of-stock sale items. If this is true, then the Good Green Grocer would most likely be accused of _____.
A) using puffery
B) deceptive pricing
C) deceptive promotions
D) deceptive packaging
E) green washing

33. Dove wanted to do more than just sell its beauty care products. The company was on a quest to discover "real beauty" and help women be happy just the way they are. As a result, the Dove Campaign for Real Beauty was successfully launched in 2004. Which of the following types of marketing was used by Dove?
A) sense-of-mission marketing
B) consumer-oriented marketing
C) customer-value marketing
D) innovative marketing
E) social marketing

34. Jacob Engineering Group views and organizes its marketing activities from the viewpoint of its buyers. Management works hard to sense, serve, and satisfy the needs of its well-defined group of buyers. What does Jacob Engineering Group practice?
A) consumer-oriented marketing
B) societal marketing
C) sense-of-mission marketing
D) customer-value marketing
E) innovative marketing

35. Which of the following actions is a restaurant owner most likely to take in order to reduce problems associated with service intangibility?
A) increase entree prices after 6 p.m.
B) provide clean tablecloths and fresh napkins for each new customer
C) empower employees to handle customer complaints
D) offer discounted prices for appetizers ordered during happy hour
E) hold regular employee workshops focusing on customer service

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36. Alex Smith rents storage space to college students who go home for the summer but do not want to haul all of their property home and back. The business is profitable during the summer months, but when the storage space is unoccupied in the off-season, Alex loses money. Which of the following characteristics of service is most likely the source of Alex's problem?
A) intangibility
B) perishability
C) inconsistency
D) variability
E) inseparability

37. Product mix _____ refers to the number of versions offered for each product in the line.
A) length
B) depth
C) height
D) width
E) consistency

38. A _____ is a name, term, sign, symbol, design, or a combination of these, that identifies the maker or seller of a product or service.
A) feature
B) brand
C) line extension
D) package
E) value chain

39. In response to price cuts from competitors, a cereal company with several more expensive and higher quality cereals introduced a lower-priced option to its product line. This is an example of which of the following responses to a competitor's price cut?
A) raising the perceived value of a product
B) improving product quality
C) accepting a reduced market share
D) launching a "fighter brand"
E) using high-low pricing

40. Which term refers to prices that buyers carry in their minds and check with when they look at a given product?
A) product line prices
B) reference prices
C) location-based prices
D) product-form prices
E) time-based prices

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SECTION B [60 Marks]- Selective Questions
Attempt only THREE (3) questions.

QUESTION 1

Johari Manufacturing Private Limited, a healthcare supplementary manufacturer, had divided their consumer market into several market segments. Kindly advise them on:

a) Any FOUR (4) requirements for effective segmentation. (12 marks)

b) The FOUR (4) conditions for the company to apply market-penetration pricing strategy on their new supplementary product. (8 marks)

(Total: 20 marks)

QUESTION 2

Brand represents everything that a product or service means to consumers by signalling the level of quality to them. Kindly advice:

a) Any TWO (2) brand sponsorship options that manufacturers have for the products they produce. (4 marks)

b) The EIGHT (8) stages of New Product Development. (16 marks)

(Total: 20 marks)

QUESTION 3

'Place' or 'distribution' is the third 'P' in the 4Ps of marketing is growing into importance with greater globalization of world systems. As a marketer in your bank describe the following 'channel dynamics' that have implications on how your bank can structure itself in readiness for globalization:

(a) Vertical Marketing system. (4 marks)
(b) Corporate marketing systems. (4 marks)
(c) Contractual Marketing systems. (4 marks)
(d) Administered Marketing systems. (4 marks)
(e) Just-in-Time [JIT]. (4 marks)

(Total: 20 marks)

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QUESTION 4

(a) Marketers have to determine the number of channel members used in the delivering value to the customers. Briefly discuss THREE (3) types of marketing intermediaries.

(12 marks)

(b) Under the sustainable marketing concept, products can be classified into the degree of immediate consumer satisfaction and long run consumer benefit. List FOUR (4) categories of product briefly.

(8marks)
(Total: 20 marks)

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